



Director of  
Central  
Intelligence

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UK-ARGENTINA: Impasse Continues

(Information as of 2330 EDT)

*Cuban President Castro, meanwhile, has urged members of the nonaligned movement to increase their support of the Argentine people.//*

//UN Secretary General Perez de Cuellar reported no progress in talks on Monday at the UN with Argentine and UK representatives. More talks were scheduled for yesterday, and the Secretary General is to deliver his report to the Security Council later this week.//

Comment: //According to Perez de Cuellar, the talks thus far have dealt with procedural matters and have yet to touch on the issue of sovereignty. British official and press commentary remains skeptical that anything will come of the UN effort.//

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[redacted] Argentine statements yesterday suggest that Buenos Aires will hold out for guaranteed sovereignty over the Falklands at the end of any negotiating process.//

#### Thatcher Keeps Up the Pressure

//Prime Minister Thatcher reiterated to Parliament yesterday her position that Argentine sovereignty over the Falklands cannot be a precondition to negotiations. She also rejected Labor leader Foot's demands that Parliament evaluate any negotiating option before the government decides on it. Thatcher expressed confidence that the EC would extend its economic sanctions against Argentina before they expire on Monday.//

Comment: //Thatcher's statements seem intended to keep up the pressure on the Argentines in the negotiating process and London's European partners as well as to satisfy the Tory backbench. She continues to give every sign of being willing to accept whatever costs are necessary to bring Argentina to negotiations on her terms or to retake the islands by force if necessary.//

#### Military Activity

//The British Defense Ministry reported that British warships sank an unidentified Argentine vessel yesterday in the Falkland Sound.

//According to British press reports, the Queen Elizabeth II--with 3,000 troops aboard--is scheduled to leave the UK today.//

An Argentine communique issued on Monday stated that all British-flag vessels and aircraft in the South Atlantic were considered hostile and would be treated as such.

Comment: //The Argentine ship probably was transporting supplies or fuel from Port Stanley to Argentine garrisons on West Falkland. This marks the closest point

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to the Falklands that British warships have reached since the crisis began. There are no firm indications that any Argentine ships have attempted in recent days to run the blockade.//

//The Argentine communique makes reciprocal the extension of the war zone announced on Friday by the British. Argentina could use this announcement as justification for attacking British troop transports and support ships heading south from Ascension Island.//

#### Castro Seeks Support for Argentina

Radio Havana has released the text of a letter from President Castro to the heads of state of the nonaligned movement. Castro charges that British military forces supported by the US are planning another major escalation of hostilities against Argentina. In his position as chairman of the nonaligned movement, Castro asked members to show their solidarity with Argentina and take whatever steps they might deem appropriate.

Comment: //This is the most recent Cuban statement of support for Buenos Aires in the dispute. Once again, however, Havana addressed its appeal for support of the Argentine people rather than the government.//

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ISRAEL-LEBANON: Israeli Buildup Continues

*//The buildup of Israeli forces that began on Monday along the border with Lebanon continued yesterday.//*

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the movement of large numbers of tanks, armored personnel carriers, and busloads of troops to northern Israel. the equivalent of a division was in the area north of Nahariyya.

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there were unconfirmed reports that elements of the 131st Reserve Armored Division had been activated and that mechanized infantry units had moved across the Lebanese border in both the western and eastern sectors.//

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Comment: //The cabinet may still be divided on whether or when to move, but Israeli military forces are at their highest state of readiness since the Easter weekend.//

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USSR-US: Initial Reaction to President's Speech

*Moscow has reacted in its public statements on the new US START proposals by parroting US critics on their "one-sidedness," the exclusion of heavy bombers and cruise missiles, and the absence of limits on certain US weapon programs.* [redacted]

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A Soviet commentator, while welcoming the renewal of a dialogue, has expressed doubts about Washington's sincerity and has criticized the "overbearing haughty" tone of the President's remarks. A senior researcher from the USA Institute also has written that the proposals would ensure only a "symbolic reduction" of US missiles and thus give Washington a "unilateral advantage."

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Comment: Although the Soviets probably will still accuse the US of making one-sided proposals, they will express a willingness to discuss them at the negotiating table. There is some evidence that Moscow subsequently regretted its abrupt rejection of former President Carter's proposal in March 1977 for deep cuts in overall deliveries. [redacted]

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Moscow, in particular, will resist large cuts in MIRVed ICBMs and warheads. It will insist on constraints on long-range cruise missiles and limits on new US strategic programs. With satisfactory treatment of these concerns and others, including US "forward-based systems," Moscow probably would consider negotiating reductions below SALT II levels. [redacted]

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POLAND: Threats by the Government

*The government--in an effort to head off the 15-minute strike and one-minute traffic halt called for tomorrow by Solidarity activists--yesterday warned that it would deal firmly with any violation of martial law.* [redacted]

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The authorities issued a similar warning before sending the police against demonstrators on 3 May. Workers in factories under military control could face summary trials and stiff penalties if they participate in the strike. The Western press claims that factory managers are reminding workers that violations could carry the death penalty and that more factories might be brought under military control. [redacted]

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As a further deterrent, the government announced that it had arrested almost 2,300 people during the riots last week and interned 211. It said that disciplinary measures also would be taken against high school and college students. Meanwhile, the Polish party daily criticized Western newsmen for circulating information about opposition activities and conducting a coordinated political campaign aimed at inciting social unrest. [redacted]

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Comment: The strikes will show whether the increased rebelliousness shown by youth has spread to the factories. More workers probably will participate in acts of defiance than during previous monthly anniversaries of the imposition of martial law. News about participation in the strikes is likely to be partially suppressed by the authorities, however, and the regime probably will assert that most factories did not heed the call of "anti-socialists" and "foreign provocateurs." [redacted]

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Violence, which some in the government may seek to promote, is most likely if the authorities use direct force to stop the brief strikes or take punitive measures against individual workers. Even if the response from workers is weak this time, their grievances remain and Solidarity activists will continue their organizational efforts. [redacted]

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USSR-NICARAGUA: Results of Ortega's Visit

*Soviet relations with Nicaragua were strengthened by the visit of junta leader Daniel Ortega last week, but Moscow seemed intent on limiting its support.* [redacted]

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Ortega was accompanied by a large delegation, including the Chief of Staff of the Sandinista Army. Although Defense Minister Ustinov and Chief of Staff Ogarkov were present at ceremonial occasions, no military talks were acknowledged in the publicity. [redacted]

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Moscow agreed to provide long-term credits for \$100 million worth of machinery and equipment, and discussions were continued on a hydroelectric project, mineral prospecting, establishing a fishing facility, and other projects. A Soviet journalist said that the USSR warned Ortega that it could not make up for the loss of US economic aid to Managua. [redacted]

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President Brezhnev emphasized that the USSR is far from Nicaragua and endorsed Managua's talks with the US to remove "difficulties and tension." The communique supported Nicaraguan nonalignment and wished Nicaragua success in finding solutions to the difficult tasks facing it. [redacted]

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Although Brezhnev endorsed Sandinista economic and political changes, he appeared cautious about encouraging the Sandinistas to embrace Communism completely. Ortega avoided Marxist rhetoric. [redacted]

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Comment: The visit continued the trend apparent since early 1980 to establish a more direct relationship and reduce Havana's role somewhat as an intermediary. The Soviets, however, seem unwilling to underwrite the Sandinista revolution economically. [redacted]

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Soviet support for Nicaraguan talks with the US and the lack of publicity on military talks or mention of any friendship treaty suggest Soviet uncertainty about US intentions in Central America and a desire not to provoke Washington. The USSR may think Nicaragua needs some relief from US pressure in order to consolidate its revolution. [redacted]

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GUYANA-VENEZUELA: Heightened Concerns

*Guyana continues to fear that Venezuela is about to seize the disputed Essequibo region, but there is no evidence that Caracas is planning any immediate move.* [redacted]

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Georgetown has charged that 15-20 Venezuelan troops crossed into the disputed territory on Monday. It claims that most withdrew after Guyanese troops fired warning shots. Venezuela has not denied that any incident occurred. [redacted]

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Comment: Guyana's charges reflect its fear that Caracas is planning to move against the Essequibo region, which makes up about five-eighths of the country. Georgetown apparently believes that Venezuela will act after and perhaps even before the Port of Spain Protocol, which provided for a 12-year cooling-off period, expires in June. [redacted]

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//No unusual military activities have been reported, but Venezuelan contingency plans to take over the Essequibo could be implemented within two to three weeks if diplomatic efforts to settle the issue fail. The gradual buildup in the border region also is consistent with Venezuela's program to open up and develop the sparsely populated region.// [redacted]

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The Herrera administration has repeatedly said that it wants a diplomatic solution to the dispute. Caracas is preoccupied with the Falkland crisis, which many Venezuelans see as a test case for the Essequibo dispute, and an armed adventure against Guyana does not appear likely at this time. [redacted]

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